

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1980
ANSWERED ON:26.07.2002
FACILITIES TO SENIOR CITIZENS
DALPAT SINGH PARASTE

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government have given exemption regarding income tax in favour of senior citizens;
- (b) if so, the details in this regard;
- (c) whether the Government have also enhanced the interest in Fixed Deposit/Saving Banks Account in favour of senior citizens; and
- (d) if so, the details in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N.RAMACHANDRAN)

(a) & (b): Yes Sir. Under the Income tax Act, 1961 individual taxpayers who are residents and are above the age of 65 years are allowed a tax rebate of Rs.15,000 under section 88B. Such citizens are allowed a higher deduction of Rs.60,000 for medical treatment of certain chronic and debilitating diseases under section 80DDB;

(c) & (d) In order to mitigate the hardships faced by senior citizens on account of falling interest rates, as per the Monetary & Credit Policy for 2001-02 announced on April 19, 2001, banks have been permitted to formulate fixed deposit schemes specifically for senior citizens offering higher and fixed rates of interest as compared to normal deposits.